UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ORIGINAL

- X

UNITED STATES OF AMERICA

- v. -

JACOB CHAIT,

Defendant.

- X

INDICTMENT

17 Cr. ____ ( )

17 CRIM 105

USDC SDNY
DOCUMENT
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COUNT ONE
(Conspiracy)

The Grand Jury charges:

Relevant Individuals and Entities

1. At all times relevant to this Indictment, JACOB CHAIT, the defendant, was involved in the management of an auction house located in Beverly Hills, California (hereinafter "Auction House #1") and served as the Head of Acquisitions for Auction House #1. Auction House #1 specialized in Asian art and antiques, including wildlife objects made from rhinoceros horn, and transacted business worldwide.

2. JACOB CHAIT, the defendant, along with others known and unknown, including co-conspirators not named herein, including co-conspirator-1 ("CC-1"), assisted in the operations of Auction House #1, including the acquisition of items to sell and the sale of those items at regular auctions in Beverly

Hills, California, and annual auctions in New York, New York, during "Asia Week," an event at which Asian art and antiques were offered for sale to foreign and domestic clients. In addition to his other auction-related duties, CHAIT was involved in the acquisition and private sale of rhinoceros horns.

Background on Regulation of Trade in Endangered Species

3. Trade in rhinoceros horn has been regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES") since 1976. CITES is an international treaty providing protection to fish, wildlife, and plants that are or may become imperiled due to the demands of international markets. More than 180 countries are parties to CITES, including the United States and China.

4. CITES is implemented in the United States under the authority of the Endangered Species Act ("ESA") and the regulations promulgated thereunder. 16 U.S.C. § 1538(c); 50 C.F.R. §§ 14 and 23. An animal species listed as protected under CITES cannot be exported from the United States without prior notification to, and approval from, the U.S. Fish & Wildlife Service. 50 C.F.R. §§ 23.13 and 23.20.

5. Species that are protected under CITES are listed in a series of appendices (Appendices I, II and III). Under Appendix I of CITES, a species may be exported from the United States to a foreign country only if, prior to exportation, the exporter

possesses a valid foreign import permit issued by the country of import and a valid export permit issued by the United States. 50 C.F.R. §§ 23.13, 23.20 and 23.35. Under Appendix II of CITES, a species may be exported from the United States to a foreign country only if, prior to exportation, the exporter possesses a CITES export permit issued by the United States. All rhinoceros species are protected under either CITES Appendix I or II.

6. Rhinoceros horn and items carved from rhinoceros horn are highly valued and sought-after commodities despite the fact that international trade of rhinoceros horn has been largely banned and highly regulated since 1976. Rhinoceros horn is worth more than gold because of demand for it in certain Asian countries, where some believe that it can cure various ailments and illnesses. Demand also stems from the use of rhinoceros horn to make libation cups that are then marketed as antiques. Rhinoceros horn is also used to make ornamental carvings that are highly valued in China and other Asian countries as well as in the United States. The escalating value of these items has resulted in an increased demand for rhinoceros horn and helped to foster a thriving black market. Most species of rhinoceros are extinct or on the brink of extinction as a result of the demand of this thriving black market.

7. The ESA makes it a crime to export any endangered species. 16 U.S.C. § 1538(a)(1)(A). The ESA also makes it a crime to deliver, receive, carry, transport, sell or offer for sale, any endangered wildlife species in interstate or foreign commerce. 16 U.S.C. § 1538(a)(1)(E) & (F). The ESA also makes it a crime to attempt to commit, solicit another to commit, or cause to be committed, an ESA violation. 16 U.S.C. § 1538(g). Under the ESA, the term "endangered species" includes any species in danger of extinction throughout all or a significant portion of its range. All species of wildlife determined to be endangered under the ESA are listed in Title 50, Code of Federal Regulations, Section 17.11.

8. The Lacey Act, *inter alia*, makes it a crime for a person to knowingly import, export, transport, sell, receive, acquire, and purchase or attempt to import, export, transport, sell, receive, acquire, and purchase, in interstate and foreign commerce, wildlife having a market value in excess of $350, knowing that said wildlife has been taken, possessed, transported, and sold in violation of, and in a manner unlawful under, the laws and regulations of the United States. 16 U.S.C. §§ 3372(a)(1), (a)(4); 3373(d). The Lacey Act also makes it unlawful for a person to knowingly make or submit a false record, account, label, or identification for wildlife, which has been or is intended to be transported in interstate and

foreign commerce, including objects made from and containing rhinoceros horn. 16 U.S.C. §§ 3372(d) and 3373(d)(3)(A).

Overview of the Defendant's Wildlife Trafficking

9. From at least in or about 2008 until at least in or about March 21, 2012, JACOB CHAIT, the defendant, worked at Auction House #1 and conspired with CC-1 and others to illegally buy, sell, trade, transport, and export, and to attempt and aid in the illegal purchase, sale, trade, transport, and export of, rhinoceros horns.

Means and Methods of the Conspiracy

10. The means and methods by which JACOB CHAIT, the defendant, and his co-conspirators sought to accomplish the illegal objects and purposes of the conspiracy included, among others, the following:

a. CHAIT and his co-conspirators purchased, received, acquired, and traded, and attempted to purchase, receive, acquire, and trade, rhinoceros horns including endangered black rhinoceros horns in interstate and foreign commerce.

b. CHAIT and his co-conspirators sold and attempted to sell and offer for sale rhinoceros horns to foreign buyers in private sales rather than in public auctions;

c. CHAIT and his co-conspirators received and deposited payment from foreign customers in the form of international wire transfers, deposits into foreign bank accounts, and cash;

d. CHAIT and his co-conspirators assisted, aided, and abetted foreign buyers in purchasing and exporting rhinoceros horns without declaration to or permits issued by the U.S. Fish & Wildlife Service;

e. CHAIT and his co-conspirators hand-carried, concealed, and exported rhinoceros horns in luggage without declaration to or permits issued by the U.S. Fish & Wildlife Service; and

f. CHAIT and his co-conspirators exported, transported, and sold, and attempted to export, transport, and sell, rhinoceros horns to foreign buyers.

The Defendant's Rhinoceros Horn Transactions

11. As part of the conspiracy, and as set forth below, JACOB CHAIT, the defendant, and others known and unknown, facilitated the purchase, sale, and export, and attempted purchase, sale, and export, and aided and abetted the purchase, sale, and export, of approximately 15 rhinoceros horns weighing approximately 80 pounds, with a market price of approximately $2.4 million.

Rhinoceros Horn Deal #1

12. On or about June 2, 2008, JACOB CHAIT, the defendant, sent an email to a foreign antique dealer ("Foreign Antique

Dealer #1") at an auction house and antique gallery in Hong Kong (the "Hong Kong Auction House"). The email contained photographs of a black rhinoceros head mount, including a photograph showing the length of the horns, and sought assistance in selling the horns to a potential customer in Beijing.

13. On or about June 19, 2008, an employee of Auction House #1, acting at the direction of JACOB CHAIT, the defendant, sent a follow-up email to Foreign Antique Dealer #1 stating: "These are the pics of the full rhino head that we have . . . .[S]end the pictures to [Mr. L] to look . . . I think we told them about it when we were in Beijing."

14. On or about July 7, 2008, an employee of Auction House #1, acting at the direction of JACOB CHAIT, the defendant, and CC-1, sent an email entitled "Rhino head" from Auction House #1 to another foreign antique dealer ("Foreign Antique Dealer #2") stating: "We are asking US$100,000 and received an offer of US$85,000, but we have not been paid for yet. And yes, we could cut the horns off."

15. On or about July 12, 2008, the bookkeeper of Auction House #1 (the "Bookkeeper") printed out and retained a fax with handwritten Chinese characters from a potential buyer ("Rhino Horn Buyer #1") stating that Rhino Horn Buyer #1 agreed to pay

$85,000 to purchase the rhinoceros head, including the two horns.

16. On or about July 12, 2008, JACOB CHAIT, the defendant, drew a diagram of the endangered black rhinoceros head being offered for sale, including the dimensions of the mount and horns.

17. On or about February 26, 2009, JACOB CHAIT, the defendant, met with Rhino Horn Buyer #1 at Auction House #1, provided Rhino Horn Buyer #1 with the rhinoceros horn mount, and directed employees of Auction House #1 to assist with packing and transporting the rhinoceros horn mount to the Los Angeles, California Airport for the purpose of assisting Rhino Horn Buyer #1 in exporting the rhinoceros horn mount to China without declaration or permits required by law.

Rhinoceros Horn Deal #2

18. On or about March 12, 2009, an employee of Auction House #1 sent an email to the Bookkeeper stating that CC-1 had instructed the employee to send photographs of two rhinoceros horns that were in the possession of Auction House #1, along with measurements of the height and width of the horns, in order to assist the Bookkeeper in communicating with Rhino Horn Buyer #1.

19. On or about March 12, 2009, JACOB CHAIT, the defendant, sent an email to CC-1 asking that someone measure the

two rhinoceros horns so that CHAIT could show them to a prospective buyer in New York, New York ("Rhino Horn Buyer #2").

20. On or about March 30, 2009, the Bookkeeper sent an email to CC-1 with 19 photographs of the two black rhinoceros horns and asking "What's the price to him?" to which CC-1 responded "Client asking 50K but he can offer."

21. On or about March 30, 2009, the Bookkeeper forwarded an email received from Rhino Horn Buyer #1 to CC-1 which stated: "Dear friend, Please tell me the net weight (just Horn, without the wooden base). Tell me a best price and how to transport them to China. Thank you!"

22. On or about March 30, 2009, CC-1 sent an email to the Bookkeeper in response, stating:

> The question of course is how to get them to China. It would probably depend on where in China and they should probably be hand carried. The number one thing would be to get them sold and paid for then we can try and figure out who would take them to China.

23. Between on or about April 1, 2009, and on or about April 6, 2009, JACOB CHAIT, the defendant, and CC-1 exchanged emails concerning the possible sale of the two rhino horns to Rhino Horn Buyer #2, including an email dated April 6, 2009, in which CHAIT wrote: "She doesn't want to pay that much, but I didn't get a number because she wasn't there and her husband

answered the phone. He said that raw horn in China sells for about $20,000 per kilo if you can get it [into] [C]hina."

24. On or about April 9, 2009, the Bookkeeper sent an email to JACOB CHAIT, the defendant, and CC-1, stating: "Just weight on Rhino's - one is 4 ¾ and one is 3 ¼."

25. On or about May 30, 2009, JACOB CHAIT, the defendant, and CC-1 packed and caused the packing of the two rhinoceros horns into a blue hard cover suitcase in the back room of Auction House #1 prior to CHAIT's outbound trip later that night to Hong Kong.

26. On or about May 30, 2009, JACOB CHAIT, the defendant, concealed, transported, exported, and carried two rhinoceros horns from the United States to Hong Kong without declaration or permits required by law.

27. On or about May 30, 2009, JACOB CHAIT, the defendant, sold and caused the sale of two rhinoceros horns weighing approximately 7 pounds to Rhino Horn Buyer #1.

Rhinoceros Horn Deal #3

28. On or about September 3, 2009, JACOB CHAIT, the defendant, sent an email to Auction House #1 with photographs of an endangered black rhinoceros head mount with two horns entitled "Please print out for [CC-1]" and stating: "I just got these images today. I'm working on getting measurements and a

price. If this is legal to sell, maybe we can put it into auction?"

29. On or about September 29, 2009, an employee of Auction House #1 sent an email to Rhino Horn Buyer #1 stating: "Are you interested in buying this Rhino head?"

30. On or about October 1, 2009, the Bookkeeper sent an email to JACOB CHAIT, the defendant, and CC-1, stating that Rhino Horn Buyer #1 "wants to know the asking price and can it be shipped to Hong Kong."

31. On or about October 1, 2009, JACOB CHAIT, the defendant, sent the following email to CC-1 about his communications with the prospective seller ("Rhino Seller #1) of a mounted head of a black rhinoceros with two horns:

> He [Rhino Seller #1] now wants $15,000 net. He said that after thinking it over he really didn't need the money and didn't want to sell it and he is only selling if [sic] because his wife hates it. I told him that I did not do business like that where someone changes his mind after he makes a deal but he refused to move on it. I told him that he may get an offer for less and that I thought he should take it and he said we will see. Maybe tell [Rhino Horn Buyer #1] 20K?

32. On or about October 2, 2009, CC-1 sent an email to JACOB CHAIT, the defendant, stating: "I told [Rhino Horn Buyer #1] a lot more. But [the seller ("Rhino Seller #1")] . . . can f*** himself for raising the price. Tell him we were going to

buy it even if we couldn't find an immediate client. At 15k we are NOT buying it."

33. On or about October 5, 2009, JACOB CHAIT, the defendant, sent an email to Rhino Horn Buyer #2 with the subject line "Rhino," attaching photographs of the head of a black rhinoceros.

34. On or about October 21, 2009, JACOB CHAIT, the defendant, and others, charged $14,000 to Rhino Horn Buyer #2's credit card.

35. On or about November 3, 2009, JACOB CHAIT, the defendant, sent an email to CC-1, stating: "I need a check made out to [Rhino Seller #1] for $10,000 please. You can have [the Bookkeeper] give it to me and I will mail it. We got paid by [Rhino Horn Buyer #2] already."

36. On or about November 20, 2009, and in response to a request from Rhino Seller #1, JACOB CHAIT, the defendant, sent an email to Rhino Seller #1 providing a New York address for Auction House #1 of 267 5th Avenue, 11th Floor, NY, NY 10016.

37. On or about November 23, 2009, JACOB CHAIT, the defendant, knowingly made and caused the making of a false wildlife document that stated that the owner of the two black rhinoceros horns was Auction House #1 and falsely certified that Auction House #1 was located at 267 5th Avenue, 11th Floor, NY, 10016.

Rhinoceros Horn Deal #4

38. On or about June 18, 2011, CC-1 sent an email to an antique dealer (the "California Antique Dealer") stating: "We are very interested in the rhino horns" being offered for sale by a client ("Rhino Seller #2") of the California Antique Dealer.

39. Between on or about June 19, 2011, and on or about June 29, 2011, JACOB CHAIT, the defendant, contacted Rhino Seller #2 and attempted to purchase a set of two rhinoceros horns mounted on a wooden plaque.

40. On or about June 29, 2011, CC-1 sent an email to the California Antique Dealer stating

> We have been trying to do something with your referral [of Rhino Seller #2] on those rhino horns for some time now. Her last communication was that she was waiting for her friend's advice. Her friend, being a moron, and steering her in the wrong direction to begin with.
>
> Do you have any input into her? Jake had originally offered her $10,000 but obviously would pay more but she won't come up with a number or even discuss it.
>
> Please let me know if you have any influence here. We are leaving for China soon and would love to get this wrapped up before we leave.

41. Between on or about June 30, 2011, and on or about July 15, 2011, JACOB CHAIT, the defendant, purchased and received two rhinoceros horns mounted on a wooden plaque from Rhino Seller #2.

42. On or about July 5, 2011, JACOB CHAIT, the defendant, sent an email to a foreign antique dealer who also does business in Canada ("Foreign Antique Dealer #2") stating: "I hope everything is going well in New York. I have something I want to talk to you about, can you give me a call on my cell phone . . . when you have some time?"

43. On or about June 11, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #2 stating: "I hope you got some of the things you wanted to bid on yesterday, it was a very crazy auction. I leave for Hong Kong tonight so if you don't mind, we can talk when I [see] you in Curio City. I would rather not talk about it in email."

44. On or about July 12, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #2 stating that CHAIT did not have much time because he was getting ready to take a flight and concluding: "I would like to talk to you about it in person when we are in Beijing."

45. On or about July 14, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #2 asking him to show the email to a potential rhinoceros horn buyer and attaching two photographs, each showing a rhinoceros horn with a tape measure, and stating that the large horn weighed 2,182 grams and the small horn weighed 1,420 grams.

46. On or about July 15, 2011, CC-1 sent an email to the California Antique Dealer stating:

> We bought the rhino horns and have taken them off the backing. We are trying to fish out some customers at the moment. You were supposed to have been sent a check for $1500 as a finder's fee. The bookkeeper may be away while we are in China but I will follow up and make sure the check goes to you.

47. On or about July 28, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #2 thanking Foreign Antique Dealer #2 for taking CHAIT out for dinner in Beijing and stating:

> I also wanted to follow up on the other issue we talked about while at dinner regarding me selling your friend something. The weight of the two pieces is 3.6 kg total, how much would he be willing to pay per kilo? I would like to make a deal with these as quickly as possible so that I can arrange to get them to him which will take some time.

48. On or about July 28, 2011, JACOB CHAIT, the defendant, sent a follow-up email to Foreign Antique Dealer #2 attaching two photographs, each showing a rhinoceros horn with a tape measure, and a diagram showing the height and width of each horn drawn by CHAIT (the "Rhino Horn Diagrams").

49. On or about July 31, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #2 stating: "I have a standing offer of $100,000 USD for the horn right now but since

you said you could possibly get me more I have not given my customer an answer if I will sell to him or not."

50. On or about August 9, 2011, JACOB CHAIT, the defendant, received an email from Foreign Antique Dealer #2 stating: "[T]here is a client who would like to pay a price around 150,000usd (FOB Beijing) for your stuff, but he said better to give him a estimate how much would be the net weight (3.6kg minus weight of the tissue inside the long horn . . .)."

51. On or about September 24, 2011, Foreign Antique Dealer #1 sent an email to the defendant that stated:

> I talk to [Ms. P] about your rhino horn, it is better to bring it next time. Because we don't have connection in Guangzhou, and the customs is very strick, so don't bring this time.
>
> Next time, when you go to Beijing, you just need to inform us of your flight details, then we will arrange everything for you. But need to pay some money for it . . . (you know what I mean . . .)
>
> I will go to XIAN tomorrow, but don't forget to send me your flight details, I will arrange a hotel car to pick you up at the airport on the 27th.

52. On or about September 26, 2011, JACOB CHAIT, the defendant, took a flight from Los Angeles, California, to Xian, China, carrying with him the Rhino Horn Diagrams and a piece of paper with CHAIT's handwriting stating that the weight of the rhino horns was 3,603 grams, the price per gram was 280,000 RMB (Chinese currency), and the price in dollars was $155,361.26.

53. On or about October 14, 2011, JACOB CHAIT, the defendant, sent an email to CC-1 and another employee of Auction House #1 with a subject line "Rhino," explaining that a customer of Auction House #1 ("Foreign Antique Dealer #3") had received a cash payment for the pair of rhinoceros horns in the amount of 661,600 RMB (which he estimated to be approximately $103,600) and that the funds were deposited into an account in China. The funds had been received from an individual in China ("Rhino Horn Buyer #3"). The email further stated: "Someone will come pick up the pair next week."

54. On or about October 17, 2011, Rhino Horn Buyer #3 sent an email to JACOB CHAIT, the defendant, entitled "Pick up" and stating that the following day a woman would "pick up the pair of horn for me!" CHAIT's response, dated the same day, stated: "No problem, just have her ask for me at the front desk."

Rhinoceros Horn Deal #5

55. On or about August 24, 2011, CC-1 sent an email to an individual located in Florida ("Rhino Seller #3"), with the subject line "FW: Raw Rhino Horns" stating: "Anything cooking? Jake hasn't heard back from you."

56. On or about September 14, 2011, CC-1 sent an email to Rhino Seller #3 stating: "What happened with that pair of rhino horns? We are about to make a deal on some of ours and could

include these if you could get them for a decent price, we could all make some money."

57. On or about September 16, 2011, CC-1 sent an email to Rhino Seller #3 expressing thanks for being provided with the sizes of the horns, asking about the price, and stating:

> P.S. Also FYI, people only by [sic] by the gram. If it's old, especially if its dry, they care about the pound or kilo weight and the size and whether or not they can be mounted or possibly carved so the bottom line really is the price.

58. On or about September 18, 2011, CC-1 sent an email to Rhino Seller #3 in response to an inquiry about the price CC-1 was willing to pay, stating:

> We purchased a very similar pair of horns a couple of months ago for $20 K and sold them right away for $40 K. We have a pair consigned currently at $30 K net. There is a collection in New York we are going to go look at where there are a couple dozen of them, some still mounted on the heads and the prices run between 20 K and 40 K.
>
> How much does your client want for them? If you can buy them for $10 K, we can make a lot of money. If you can buy them for $20 K we can make a medium amount of money. If you have to pay more, we would make less.

59. On or about October 5, 2011, an employee and manager of Auction House #1 ("Auction Manager #1") sent an email to Rhino Seller #3 stating:

> Good to talk to you. This email is to confirm that we are offering $20,000 for the pair of rhino horns that your customer has. We would need to inspect the horns in person first and

> once we confirm that they are real, undamaged and in the same condition as seen in the photos, we would immediately transfer the funds to you by bank wire or send you a check. Your preference.

60. On or about October 6, 2011, Auction Manager #1 sent an email to Rhino Seller #3 stating that CC-1 "wants to receive the item first before the payment is sent. And he is the boss so this is what he wants to do. I will let him know that your counter offer is 25K . . . ."

61. On or about October 6, 2011, CC-1 sent an email to Auction Manager #1 stating:

> Tell him to just skip it and if he doesn't trust that we would pay him, we shouldn't be doing business together. And if he is paying his client more than $10,000 or 15,000 he is paying too much. There are lots of these horns out there and we are one of the few people who know how to sell them. AND even for us it's risky unless we get the documentation. You should call him directly on this and email him. The guy is an arrogant asshole.

62. On or about October 7, 2011, Auction Manager #1 sent an email to Rhino Seller #3 stating that CC-1 was not willing to pay more than $20,000 for the rhinoceros horns being offered for sale.

Rhinoceros Horn Deal #6

63. On or about October 17, 2011, employees of Auction House #1 opened a package containing two black rhinoceros horns weighing approximately 10 pounds sent from a rhinoceros horn seller ("Rhino Seller #4") in Pennsylvania.

64. On or about November 3, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #3 stating: "Here are the photos for the next set of horns." The email stated that Horn 1 was 26.5 cm in length and 15.8 cm in diameter and Horn 2 was 46.6 cm in length and 15.8 cm in diameter. The email, signed "Jake," stated "The total weight is 4,507 grams but let's call it 4,400 grams for the potential loss."

65. On or about November 7, 2011, CC-1 instructed the Bookkeeper to pay $25,000 to Rhino Seller #4 located in Pennsylvania.

Rhinoceros Horn Deal #7

66. On or about December 10, 2011, JACOB CHAIT, the defendant, directed an employee of Auction House #1 to provide him with photographs and measurements of a rhinoceros horn.

67. On or about December 13, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #3 containing 15 photographs of a rhinoceros horn and stating: "The rhino horn is 72 cm long, the base is 15 cm in diameter, and it is about 2490 grams."

Rhinoceros Horn Deal #8

68. On or about December 8, 2011, a managerial employee of Auction House #1 ("Auction Manager #2") spoke with a couple located in Manhattan, New York ("Rhino Seller #5" and "Rhino Seller #6"), about the possible purchase of rhinoceros horns.

69. Between on or about February 8, 2012, and on or about February 14, 2012, JACOB CHAIT, the defendant, made calls to and received calls from Rhino Sellers #5 and #6 in Manhattan.

70. On or about February 12, 2012, Auction Manager #2 sent JACOB CHAIT, the defendant, an email with photographs of the rhinoceros horns being offered for sale by Rhino Sellers #5 and #6, including a photograph of Rhino Seller #6 holding the two rhinoceros horns.

71. On or about February 14, 2012, JACOB CHAIT, the defendant, sent Foreign Antique Dealer #2 an email with the subject line "New ones," stating:

> I just got these photos but I also just found out the price they are asking. $300,000 USD for both which I think is insane. Biased [sic] on what you told me at 13.5 kg (which is the weight they told me, not verified in person by me) we can only sell them for the current market price of about $250,000 USD.
>
> I will try and get them for less than market but maybe we don't have any hope.

72. Between on or about February 14, 2012, and on or about February 22, 2012, JACOB CHAIT, the defendant, discussed a purchase price for the horns with Rhino Sellers #5 and #6.

73. On or about February 22, 2012, Auction Manager #2 sent an email to Rhino Sellers #5 and #6 acknowledging receipt of the photographs and stating: "I believe you have been talking with Jake. Unfortunately your expectations are too high for us."

74. On or about February 29, 2012, JACOB CHAIT, the defendant, sent an email to Rhino Sellers #5 and #6 with a link to a news story that appeared in the Los Angeles Times concerning the arrest and prosecution of those engaged in rhinoceros horn trafficking.

75. On or about March 21, 2012, JACOB CHAIT, the defendant, traveled to Manhattan for Auction House #1's annual auction at New York's Asia Week.

76. On or about March 21, 2012, JACOB CHAIT, the defendant, met in a private apartment in Manhattan with Rhino Sellers #5 and #6 during which time he examined the rhinoceros horns.

77. On or about March 21, 2012, CC-1, while in Manhattan, asked the Bookkeeper to arrange to wire personal funds from California to assist in the purchase of the rhinoceros horns.

78. On or about March 23, 2012, JACOB CHAIT, the defendant, spoke by telephone with Rhino Sellers #5 and #6 and offered to purchase the horns for approximately $155,000.

Statutory Allegations

79. From at least in or about 2008, until in or about March 2012, in the Southern District of New York and elsewhere, JACOB CHAIT, the defendant, and others known and unknown, including CC-1 and Auction House #1, willfully and knowingly did combine, conspire, confederate, and agree together and with each other, to commit offenses against the United States, to wit, violations of Title 18, United States Code, Sections 554 and 2, and Title 16, United States Code, Sections 3372(a)(1) & (d), and 3373(d)(1) and (d)(3)(A)(i).

80. It was a part and object of the conspiracy that JACOB CHAIT, the defendant, and others known and unknown, including CC-1 and Auction House #1, would and did fraudulently and knowingly export and send from the United States and knowingly aid and abet in the export and sending from the United States merchandise, namely, rhinoceros horns, contrary to the laws and regulations of the United States, and would and did receive, conceal, buy, sell, and facilitate the transportation, concealment, and sale of such merchandise, prior to exportation, knowing the same to be intended for exportation contrary to laws and regulations of the United States, and would and did attempt

to receive, conceal, buy, sell, and facilitate the transportation, concealment, and sale of such merchandise, prior to exportation, knowing the same to be intended for exportation contrary to laws and regulations of the United States, in violation of Title 18, United States Code, Sections 554 and 2;

81. It was further a part and object of the conspiracy that JACOB CHAIT, the defendant, and others known and unknown, including CC-1 and Auction House #1, did knowingly export, transport, sell, receive, acquire, and purchase, and aid and abet the export, transport, sale, receipt, acquisition and purchase of, wildlife, to wit, CITES-protected rhinoceros, including endangered black rhinoceros, knowing that such wildlife was taken, possessed, transported and sold in violation of, and in a manner unlawful under, the laws and regulations of the United States, in violation of Title 16, United States Code, Sections 3372(a)(1) and 3373(d)(1)).

82. It was further a part and object of the conspiracy that JACOB CHAIT, the defendant, and others known and unknown, would and did knowingly make and submit false records, accounts, and labels for, and false identification of, wildlife, namely, rhinoceros horns, which were and were intended to be transported in interstate and foreign commerce, in violation of Title 16, United States Code, Sections 3372(d) and 3373(d)(3)(A)(i).

Overt Acts

83. In furtherance of the conspiracy, and to effect the illegal objectives thereof, JACOB CHAIT, the defendant, together with others known and unknown, including CC-1 and Auction House #1, committed and caused to be committed the following overt acts, among others, in the Southern District of New York and elsewhere.

Rhinoceros Horn Deal #1

84. On or about June 2, 2008, JACOB CHAIT, the defendant, emailed Foreign Antique Dealer #1 photographs of a black rhinoceros head mount, including a photograph showing the length of the horns, seeking assistance in selling the horns to a potential customer in Beijing.

85. On or about July 7, 2008, an employee of Auction House #1, acting at the direction of JACOB CHAIT, the defendant, and CC-1, sent an email entitled "Rhino head" from Auction House #1 to Foreign Antique Dealer #2, stating: "We are asking US$100,000 and received an offer of US$85,000, but we have not been paid for yet."

86. On or about July 12, 2008, the Bookkeeper printed out and retained a fax with handwritten Chinese characters from Rhino Buyer #1 stating that Rhino Buyer #1 agreed to pay $85,000 to purchase the rhino head including the two horns.

87. On or about February 26, 2009, JACOB CHAIT, the defendant, met with Rhino Horn Buyer #1 at Auction House #1, provided Rhino Horn Buyer #1 with the rhinoceros horn mount, and directed employees of Auction House #1 to assist with packing and transporting the rhinoceros horn mount to the Los Angeles, California Airport, for the purpose of assisting Rhino Horn Buyer #1 in exporting the rhinoceros horn mount to China, which employees of Auction House #1 did, without declaration or permits required by law.

Rhinoceros Horn Deal #2

88. On or about March 12, 2009, JACOB CHAIT, the defendant, sent an email to CC-1 asking that someone measure two rhinoceros horns so that he could show them to Rhino Horn Buyer #2, a prospective buyer in New York, New York.

89. On or about March 30, 2009, the Bookkeeper forwarded CC-1 an email from Rhino Horn Buyer #1 which stated: "Dear friend, Please tell me the net weight (just Horn, without the wooden base). Tell me a best price and how to transport them to China. Thank you!"

90. On or about March 31, 2009, CC-1 sent an email in response to the Bookkeeper, stating:

> The question of course is how to get them to China. It would probably depend on where in China and they should probably be hand carried. The number one thing would be to

get them sold and paid for then we can try
and figure out who would take them to China.

99. Between on or about April 1, 2009, and on or about April 6, 2009, JACOB CHAIT, the defendant, and CC-1 exchanged emails concerning the possible sale of the two rhinoceros horns to Rhino Horn Buyer #2.

100. On or about April 9, 2009, the Bookkeeper sent an email to JACOB CHAIT, the defendant, and CC-1, providing the measurements of the rhinoceros horns being offered for sale.

101. On or about May 30, 2009, JACOB CHAIT, the defendant, and CC-1 packed and caused the packing of the two rhinoceros horns into a blue hard cover suitcase in the back room of Auction House #1 prior to CHAIT's outbound trip later that night to Hong Kong.

102. On or about May 30, 2009, JACOB CHAIT, the defendant, concealed, transported, exported, and carried two rhinoceros horns from the United States to Hong Kong without declaration or permits required by law.

103. On or about May 30, 2009, JACOB CHAIT, the defendant, sold and caused the sale of two rhinoceros horns weighing approximately 8 pounds to Rhino Horn Buyer #1.

Rhinoceros Horn Deal #3

104. On or about October 5, 2009, JACOB CHAIT, the defendant, sent an email to Rhino Horn Buyer #2 with the subject

line "Rhino," attaching photographs of the head of a black rhinoceros.

105. On or about October 21, 2009, JACOB CHAIT, the defendant, and others, charged $14,000 to Rhino Horn Buyer #2's credit card.

106. On or about November 3, 2009, JACOB CHAIT, the defendant, sent an email to CC-1, stating: "I need a check made out to [Rhino Seller #1] for $10,000 please. You can have [the Bookkeeper] give it to me and I will mail it. We got paid by [Rhino Horn Buyer #2] already."

107. On or about November 20, 2009, and in response to a request from Rhino Seller #1, JACOB CHAIT, the defendant, sent an email to Rhino Seller #1 stating that the address of Auction House #1 in New York was 267 5th Avenue, 11th Floor, NY, NY 10016.

108. On or about November 23, 2009, JACOB CHAIT, the defendant, knowingly made and caused the making of a false wildlife document that stated that the owner of the two black rhinoceros horns was Auction House #1 and falsely certified that Auction House #1 was located at a specified address on 5th Avenue in New York, New York, 10016.

Rhinoceros Horn Deal #4

109. Between on or about June 30, 2011, and on or about July 15, 2011, JACOB CHAIT, the defendant, purchased and received a set of two rhinoceros horns mounted on a wooden

plaque from Rhino Seller #2, through the California Antique Dealer.

110. On or about July 14, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #1, asking him to show the email to a potential rhinoceros horn buyer and attaching two photographs, each showing a rhinoceros horn with a tape measure, and stating that the large horn weighed 2,182 grams and the small horn weighed 1,420 grams.

111. On or about July 15, 2011, CC-1 sent an email to the California Antique Dealer stating:

> We bought the rhino horns and have taken them off the backing. . . . You were supposed to have been sent a check for $1500 as a finder's fee. The bookkeeper may be away while we are in China but I will follow up and make sure the check goes to you.

112. On or about July 28, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #2, thanking him for taking CHAIT out for dinner in Beijing and stating:

> I also wanted to follow up on the other issue we talked about while at dinner regarding me selling your friend something. The weight of the two pieces is 3.6 kg total, how much would he be willing to pay per kilo? I would like to make a deal with these as quickly as possible so that I can arrange to get them to him which will take some time.

113. On or about July 28, 2011, JACOB CHAIT, the defendant, sent a second email to Foreign Antique Dealer #2 attaching two photographs, each showing a rhinoceros horn with a tape measure, and the Rhino Horn Diagrams.

114. On or about August 9, 2011, JACOB CHAIT, the defendant, received an email from Foreign Antique Dealer #2, stating: "[T]here is a client who would like to pay a price around 150,000usd (FOB Beijing) for your stuff, but he said better to give him a estimate how much would be the net weight (3.6kg minus weight of the tissue inside the long horn…)."

115. On or about October 14, 2011, JACOB CHAIT, the defendant, sent an email to CC-1 and another employee of Auction House #1 entitled "Rhino," stating:

> 661,500 was paid to [Foreign Antique Dealer #3] in cash yesterday for the pair. He was paid in RMB and deposited the money into [the Hong Kong Auction House's] China account yesterday. This is about 103,600 USD.
>
> Someone will come pick up the pair next week.

116. On or about October 17, 2011, JACOB CHAIT, the defendant, sent an email acknowledging his receipt of an email dated the same day from Rhino Horn Buyer #3 entitled "Pick up" and stating that the following day a woman would "pick up the pair of horn for me!" CHAIT's response stated: "No problem, just have her ask for me at the front desk."

Rhinoceros Horn Deal #6

118. On or about October 17, 2011, employees of Auction House #1 opened a package containing two black rhinoceros horns weighing approximately 10 pounds sent from Rhino Seller #4 in Pennsylvania.

119. On or about November 3, 2011, JACOB CHAIT, the defendant, sent an email to Foreign Antique Dealer #3 providing the measurements and weight of the two black rhinoceros horns being offered for sale.

120. On or about November 7, 2011, CC-1 instructed the Bookkeeper to pay $25,000 to Rhino Seller #4 located in Pennsylvania.

Rhinoceros Horn Deal #8

121. On or about December 8, 2011, a managerial employee of Auction House #1 spoke with Rhino Sellers #5 and #6, about the possible purchase of rhinoceros horns.

122. Between on or about February 8, 2012, and on or about February 14, 2012, JACOB CHAIT, the defendant, made calls to and received calls from Rhino Sellers #5 and #6 in Manhattan.

123. On or about February 12, 2012, Auction Manager #2 sent an email with photographs of the rhinoceros horns being offered for sale by Rhino Sellers #5 and #6, including a photograph of Rhino Seller #6 holding the two rhinoceros horns, to JACOB CHAIT, the defendant.

124. On or about February 14, 2012, JACOB CHAIT, the defendant, sent Foreign Antique Dealer #2 an email with the subject line "New ones," stating:

> I just got these photos but I also just found out the price they are asking. $300,000 USD for both which I think is insane. Biased [sic] on what you told me at 13.5 kg (which is the weight they told me, not verified in person by me) we can only sell them for the current market price of about $250,000 USD.
>
> I will try and get them for less than market but maybe we don't have any hope.

125. Between on or about February 14, 2012, and on or about February 22, 2012, JACOB CHAIT, the defendant, discussed a purchase price for the horns with Rhino Sellers #5 and #6.

126. On or about March 21, 2012, JACOB CHAIT, the defendant, traveled to Manhattan for Auction House #1's annual auction at New York's Asia Week.

127. On or about March 21, 2012, JACOB CHAIT, the defendant, met in a private apartment in Manhattan with Rhino Sellers #5 and #6 during which time he examined the rhinoceros horns.

128. On or about March 21, 2012, CC-1, while in Manhattan, asked the Bookkeeper to arrange to wire personal funds from California to assist in the purchase of the rhinoceros horns.

128. On or about March 23, 2012, JACOB CHAIT, the defendant, spoke by telephone with Rhino Sellers #5 and #6 and offered to purchase the horns for approximately $155,000.

(Title 18, United States Code, Section 371.)

Forfeiture Allegation

129. As the result of committing the offense alleged in Count One of this Indictment, JACOB CHAIT, the defendant, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461, any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offense, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offense.

Substitute Asset Provision

130. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

(1) cannot be located upon the exercise of due diligence;

(2) has been transferred or sold to, or deposited with, a third person;

(3) has been placed beyond the jurisdiction of the Court;

(4) has been substantially diminished in value; or

(5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 18 U.S.C. § 981, 21 U.S.C. § 853(p), and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.

(Title 18, United States Code, Sections 981; Title 21, United States Code, Section 853; and Title 28, United States Code, Section 2461.)

FOREPERSON

PREET BHARARA
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

JACOB CHAIT,

Defendant.

INDICTMENT

17 Cr.

(18 U.S.C. § 371.)

PREET BHARARA

Foreperson. United States Attorney.

2/15/17. Filed Indictment
Case assigned to J. Furman.
Gorenstein
USMJ